

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF CALIFORNIA

BRANDON EUGENE HUNTER,
Plaintiff,
v.
BRENNEMAN, et al.,
Defendants.

No. 2:22-cv-1141 DJC CKD (PC)

FINDINGS AND RECOMMENDATIONS

The undersigned conducted a settlement conference in this prisoner civil rights case on February 13, 2025, and the case settled. ECF No. 57. The material terms of the agreement were summarized on the record, ECF No. 58 & 59, and the parties were given 30 days to file dispositional documents. That deadline has twice been extended, and dispositional documents have not been filed. Plaintiff has now filed a Motion for Entry of Judgment, ECF No. 70, which accuses defendants of breach of contract and seeks court enforcement of the settlement agreement on terms different than those included in the proposed written agreement drafted by defense counsel. Defendants have opposed plaintiff's motion, and bring a counter-motion to compel plaintiff to execute the settlement agreement as drafted. ECF No. 71. For the reasons explained below, the undersigned recommends that plaintiff's motion be denied and that defendants' motion be granted in part and denied in part.

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I. BACKGROUND

The parties agreed at the settlement conference that in exchange for a payment of \$6,500.00, plaintiff would dismiss this lawsuit and release all defendants known and unknown from liability on all claims known and unknown arising from the facts alleged in the complaint. The material terms, which were confirmed by the parties on the record, included the following:

Mr. Hunter understands that it is a material condition of this settlement that he acknowledges the County's independent legal obligation to satisfy liens that have been identified by the California Department of Resource Recovery. Defendant believes the lien obligation to be in the neighborhood of \$1900 and Mr. Hunter understands that whatever the lien balance is the County must satisfy it prior to disbursing the remainder of the settlement amount, which will be in the form of a check made out to Mr. Hunter and sent to his aunt, Darlene Hunter.

Defendants have agreed to obtain whatever documentation is reasonably available from the Department of Revenue Recovery regarding the source of these liens and provide copies to Mr. Hunter. Defendant will also provide proof of satisfaction of the liens on Mr. Hunter's behalf to include a copy of the check and a copy of the cover letter identifying Mr. Hunter's liens as the subject of that check.

ECF No. 59 (transcript) at 2.

In addition to confirming his agreement to these terms, Mr. Hunter made a record of the fact—which had been discussed at length during the course of the settlement conference—that he disputes the validity and/or amount of the debt(s) on which the referenced liens are based. Id. at 4. He acknowledged that he would take that issue up directly with the Department of Revenue Recovery “and any entities or agencies that they might identify to you as being the source of the debt,” independently of the settlement agreement and “after the fact” of the County's satisfaction of the liens. Id. at 4-5. He affirmed his understanding that “the County has to pay whatever liens Revenue Recovery says you have out of the [\$]6500 before cutting you a check for the remainder[.]” Id.

After the settlement conference, defendants sent plaintiff a Settlement Agreement for signature. Defendants had determined that the lien amount, according to the Department of Recovery, was \$1,139.98 rather than the previous estimate of \$1,900.00, and the Agreement stated the lower figure as the amount to be paid out of the settlement proceeds. Plaintiff later

1 requested that his check be sent to a different aunt, and the Agreement has been updated to make
2 that change. Plaintiff requested certain other modification to the Agreement's language, which
3 also resulted in non-substantive edits. The current version of the still unexecuted Settlement
4 Agreement is at ECF No. 71-1 (Declaration of Matthew R. Mendoza) at pp. 29-33.

5 In his Motion for Entry of Judgment to Enforce the Settlement Agreement, plaintiff
6 alleges that defendants have breached their oral settlement agreement in numerous ways: they
7 were late in sending him paperwork for signature, failed to provide a W-9 form, failed to ensure
8 the written Agreement was executed within 7 days, changed the amount of the liens to be paid
9 from the settlement proceeds, and changed (unspecified) material terms other than the details of
10 the release of liability. ECF No. 70 at 4-5. As a result, plaintiff explains that he will not sign any
11 document provided to him by defendants because he believes that are trying to deceive him and
12 insert terms that are beyond the scope of the agreement and unfavorable to him. Id. at 5-6.
13 Plaintiff complains further that he has not received the proceeds of the settlement, and that
14 defendants have neither satisfied his liens nor provided proof of satisfaction as required. Id. at 6.
15 In addition to asking the court to enforce the oral agreement of February 13, 2025, plaintiff seeks
16 pre- and post-judgment interest. Id. at 8.

17 Defendants oppose plaintiff's motion, deny any breach, and argue that any confusing
18 language in the current version of the Agreement is the result of changes made at plaintiff's
19 insistence. ECF No. 71 at 5-6 and *passim*. They ask the court to compel plaintiff to sign the
20 written agreement. Id. at 5.

21 II. STANDARDS

22 A district court has the inherent power to enforce a complete settlement agreement entered
23 into while the litigation is pending before it. In re City of Equities Anaheim, Ltd., 22 F.3d 954,
24 957 (9th Cir. 1995); Callie v. Near, 829 F.2d 888, 890 (9th Cir. 1987). This enforcement power
25 extends to oral agreements. Doi v. Halekulani Corp., 276 F.3d 1131, 1138 (9th Cir. 2002). The
26 moving party has the burden of demonstrating that the parties formed a legally enforceable
27 settlement agreement. In re Andreyev, 313 B.R. 302, 305 (B.A.P. 9th Cir. 2004) (citing 15A Am.
28 Jur. 2d Compromise and Settlement § 57 (2000)). Where the material terms of an agreement and

the parties' assent to such terms is placed on the record, an evidentiary hearing is unnecessary. Doi, 276 F.3d at 1139-40. The recollection of the judge conducting the settlement conference can also support a finding of an enforceable agreement without an evidentiary hearing. Lynch, Inc. v. SamataMason, Inc., 279 F.3d 487, 490-92 (7th Cir. 2002) (judge may rely on recollections to find enforceable agreement when agreement is not on record); see also Shah v. United States, 878 F.2d 1156, 1159 (9th Cir. 1989) (judge may rely on own notes and recollection of plea hearing and sentencing process to supplement record without an evidentiary hearing).

"The construction and enforcement of settlement agreements are governed by principles of local law which apply to interpretation of contracts generally." Jeff D. v. Andrus, 899 F.2d 753, 759 (9th Cir. 1989). Therefore, even though the underlying cause of action presented in this litigation is based upon a federal statute, this court applies California law regarding the formation and interpretation of contracts in determining whether a legally enforceable settlement agreement was reached. United Commercial Ins. Serv., Inc. v. Paymaster Corp., 962 F.2d 853, 856 (9th Cir. 1992); see also Harrop v. West. Airlines, Inc., 550 F.2d 1143, 1145 (9th Cir. 1977) (applying California law).

In California, oral settlement agreements made before the court and oral contracts are enforceable. Cal. Civ. Proc. Code § 664.6; Cal. Civ. Code § 1622. "The essential elements of a contract are: [1] parties capable of contracting; [2] the parties' consent; [3] a lawful object; and [4] sufficient cause or consideration." Lopez v. Charles Schwab & Co., Inc., 118 Cal. App. 4th 1224 (2004) (citing Cal. Civ. Code § 1550). "Mutual assent usually is manifested by an offer communicated to the offeree and an acceptance communicated to the offeror." Id. (citing Cal. Civ. Code § 1565). The existence of mutual consent is determined by objective criteria; the "parties' outward manifestations must show that the parties all agreed 'upon the same thing in the same sense.'" Weddington Prod., Inc., v. Flick, 60 Cal. App. 4th 793 (1998) (quoting Cal. Civ. Code § 1580).

III. DISCUSSION

The undersigned has reviewed the most recent version of the Settlement Agreement drafted by defense counsel, ECF No. 71-1 at 29-33, and finds that it fully accords with the oral

1 agreement placed on the record and with the understanding of the parties during the course of the
2 settlement conference. No terms have been inserted that could have an unanticipated negative
3 effect on plaintiff. The agreement requires defendants to pay off liens, in the amount specified by
4 the Department of Revenue Recovery, from the \$6500 settlement proceeds and thereafter to
5 provide the balance to plaintiff by check mailed to Epifania Marshall. The difference in the
6 specified amount of the liens lies in plaintiff's favor, and in any event it was made clear at the
7 settlement conference that the estimated lien amount was subject to adjustment. The liens have
8 not yet been satisfied nor the settlement proceeds dispersed because plaintiff has not signed the
9 Settlement Agreement. Judge Delaney granted extensions of the deadlines originally set by the
10 undersigned. For all these reasons, the court finds that there has been no breach by defendants.

11 To the extent if any that plaintiff challenges the language of Paragraph 16 ("Liens"), ECF
12 No. 71-1 at 32, the court provides the following clarification. That "[t]he Defendants are not
13 responsible for any liens" and that plaintiff "is responsible for any and all liens" means that liens
14 must be paid out of plaintiff's funds because he is the responsible party. This is consistent with
15 Paragraphs 6 and 7, id. at 30, which respectively set forth defendant's obligation to ensure
16 satisfaction of a specific lien from the settlement proceeds, and the process by which the
17 settlement proceeds will be divided and issued to the Sacramento County Department of Revenue
18 and to plaintiff. In other words, defendants are responsible for the distribution of plaintiff's
19 settlement funds, including to the Department of Revenue, but not for the debt itself. That is the
20 arrangement agreed to at the settlement conference.

21 Plaintiff's contention that he is entitled to interest on the settlement amount has been
22 previously presented and was rejected by Judge Delaney. ECF No. 68. Interest was not part of
23 the settlement agreement, was never contemplated in this case, and has no legal basis.¹

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25 ¹ Plaintiff cites Adams v. John-Manville Corp., 876 F.2d 702, 710 (9th Cir. 1989); Air Separation
26 Inc. v. Underwriters at Lloyds of London, 45 F.3d 288, 290 (9th Cir. 1995); and Cal. Civ. Code §
27 3289(b). ECF No. 70 at 8. None of these authorities apply here. Adams affirmed the grant of
28 prejudgment interest as a form of compensatory damages, after defendants had wrongfully failed
to pay disputed settlement amounts the district court found were owed to 49 asbestos personal
injury plaintiffs. Air Separation reversed the district court's denial of post-judgment interest
where an insurance company had wrongfully failed to pay a covered claim. Cal. Civ. Code §

For all these reasons, plaintiff's motion should be denied. Because the unexecuted written agreement at ECF No. 71-1, pp. 29-33, is fully consistent with the oral agreement, its terms should be adopted by the court as requested by defendants. As for the remedy proposed in defendants' counter-motion, however, the court is unaware of any authority that is has to "compel" plaintiff to sign anything. The Agreement is enforceable notwithstanding plaintiff's failure to sign, and the appropriate remedy is simply enforcement of its terms—including dismissal of the lawsuit and payment by defendants. See Doi, supra, 276 F.3d 1131 (affirming district court's enforcement of settlement agreement reached orally at court settlement conference and affirmed on the record, and dismissal of case pursuant to that agreement, after plaintiff refused to sign written agreement).

The record now reflects that plaintiff has provided defense counsel with a completed W-9 form, ECF No. 71 at 9, and the mailing address for delivery of the check, ECF No. 70 at 9. Accordingly, should the district judge adopt these Findings and Recommendations and dismiss the case pursuant to the Agreement, there will be no barrier to processing of the settlement proceeds. It will be recommended that defendants be ordered to satisfy plaintiff's lien, provide to plaintiff documentation of such satisfaction, and mail a check for the balance of the settlement proceeds to plaintiff's aunt, all as provided in the Agreement, within 14 days of entry of judgment. It will be further recommended that the undersigned settlement judge retain jurisdiction for the sole purpose of ensuring that these obligations are satisfied.

CONCLUSION

Accordingly, it is HEREBY RECOMMENDED that:

1. Plaintiff's Motion for Entry of Judgment (ECF No. 70) be DENIED;
2. Defendants' Counter-Motion to Compel Plaintiff to Execute Settlement Agreement (ECF No. 71) be GRANTED IN PART by issuance of an order providing that:
 - a. The agreement of February 13, 2025, is fully enforceable as stated on the record (ECF


3289(b) provides for interest on judgements for damages in breach of contract cases. In this case has there been no breach of contract by defendants, or other circumstances that would make these authorities applicable.

No. 59) and as set forth by defendants at ECF No. 71-1 pp. 29-33, notwithstanding plaintiff's failure to sign the written document;

- b. This action is DISMISSED with prejudice pursuant to the Agreement;
- c. Defendants shall, within 14 days of entry of judgment, comply with its obligations under Paragraph 7 (ECF No. 71-1 at 30) regarding payment of funds. The settlement judge may extend this deadline only for good cause shown;
- d. Defendants shall file a notice of satisfaction of the Agreement promptly upon compliance with their payment obligations;
- e. The settlement judge shall retain jurisdiction for the sole purpose of ensuring that defendants satisfy their payment obligations under the Agreement.

These findings and recommendations are submitted to the United States District Judge assigned to the case, pursuant to the provisions of 28 U.S.C. § 636(b)(1). Within fourteen days after being served with these findings and recommendations, any party may file written objections with the court and serve a copy on all parties. Such a document should be captioned "Objections to Magistrate Judge's Findings and Recommendations." Any response to the objections shall be served and filed within fourteen days after service of the objections. The parties are advised that failure to file objections within the specified time may waive the right to appeal the District Court's order. Martinez v. Ylst, 951 F.2d 1153 (9th Cir. 1991).

DATED: June 6, 2025


ALLISON CLAIRE
UNITED STATES MAGISTRATE JUDGE